



COPPER THEFT FACT SHEET

Corporate Security

Dramatic increases in copper theft are occurring on global, national, and local levels. While Detroit Edison is experiencing a significant increase in incident volume, an unusual concentration of *energized* conductor theft – which compounds risks and exposures for the thief, the public, and the company – is also a matter of considerable concern.

Detroit Edison Copper Theft:

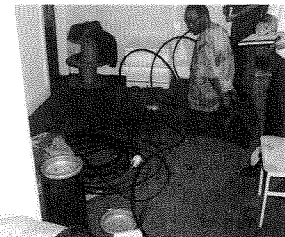
- ✓ Copper theft is a growing phenomenon with great prevalence across our service territory, with a concentration in the City of Detroit and surrounding areas.
- ✓ Copper theft has a significant impact on the company; simultaneously increasing costs, reducing service reliability, and endangering both thief and customer alike.
- ✓ Theft of energized conductors is not uncommon. During 2007, Detroit Edison experienced more than 400 copper theft incidents, with a significant number involving energized conductor. Thieves steal from abandoned buildings, service-drops, and pole-to-pole spans including both primary and secondary circuits.
- ✓ Total losses are estimated in the millions and involve material loss and replacement, crew-time for repair and in some cases environmental cleanup, lost energy sales, and costs for new anti-theft programs.
- ✓ The collaborative efforts of Corporate Security, the Detroit Police Department have resulted in over 20 arrests related to Detroit Edison copper theft. We support local law enforcement in the fight against copper theft, and note the charges being brought against the thieves including: larceny, malicious destruction of property, receiving and concealing stolen property, and "junk dealer violations". However, because copper theft is treated as property crime, offenders are generally sentenced to only probation.
- ✓ Several deaths and numerous injuries have been attributed to the theft of energized conductors.
- ✓ This year alone, thirteen (13) pole mounted transformers were dropped to the ground and stolen from Detroit Edison at a cost of approximately \$25,000.

DTE Security Initiatives

- ✓ Initiated a two-tiered reward program: \$1,000 for information leading to the arrest of individuals stealing Detroit Edison copper and \$2,500 for information leading to the arrest of individuals purchasing stolen Detroit Edison copper.
- ✓ Formed a Multi-Organizational Task Force with other utility companies, State and City Police and Fire Departments, Homeland Security, Government Offices, and the Wayne County Prosecutor's Office.
- ✓ Created the Customer Tip Hotline: To date, over 50 tips have led to the arrest and conviction of copper thieves.
- ✓ Created a Detroit Edison Copper Theft Brochure + DVD to provide the knowledge and rationale the Detroit Police need for diverting limited resources to the copper theft problem..
- ✓ Supplied evidence, including information collected from night surveillance of scrap dealers, which led to the successful execution of a half dozen stings by Detroit Police and raids by the SRT units. The raids and stings have led to hundreds of citations, arrests, and impounded vehicles.

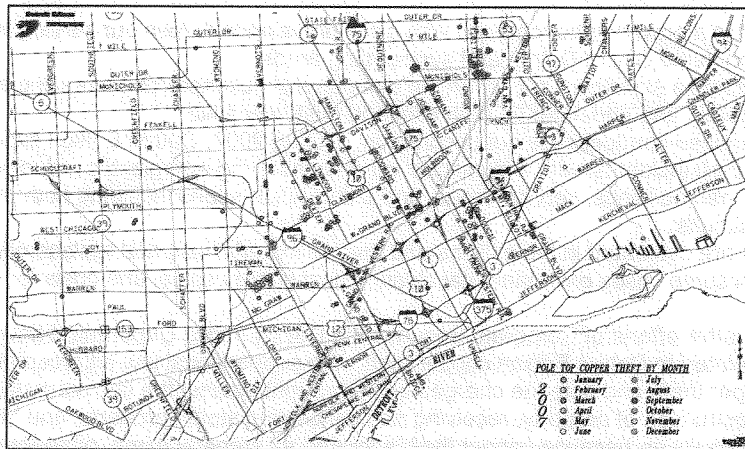
DTE Energy and Law Enforcement Relationship

The new relationship between DTE Energy and the Detroit Police Department is unique as we lead the nation in programs to combat the copper theft epidemic.



City of Detroit Highlights:

- ✓ Everything copper is at risk: air conditioners, power lines, even fire hydrants components.
- ✓ Police and prosecutors report the sporadic copper thefts of the past have turned epidemic since last spring. The high price of copper offers the temptation of fast cash for people trying to make a buck in a down economy.
- ✓ Law enforcement agencies are trying to crack down, seeking tougher punishments for thieves and tighter controls over scrap yards.
- ✓ There is a correlation between the increase in copper thefts and the drug trade – drug dealers/users benefit when copper is traded for drugs.



Economics of Copper Theft:

- ✓ Criminals do not normally monitor commodities markets, but high metal prices have captured their attention, fueling thefts of copper wire and increasingly other metals.
- ✓ Law enforcement officials around the world have reported a sharp rise in copper theft even before prices for the benchmark metal hit all time high (above \$4 per pound) amid rising demand from China and dwindling base metal inventories.
- ✓ Utility companies are especially at risk for copper theft given their reliance on copper as a conductor.
- ✓ Trends reflect that thieves have been pulling up buried copper wire in remote areas during the day or stripping it from utility poles at night. Consequential corporate costs are significantly greater than the monetary return to the thief.
- ✓ While other metals are stolen, copper is the "gold standard", selling for some five times the 60 cents a pound that aluminum earns.
- ✓ While these are national highlights, the problem is global.

